



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 2/21/2012

Report Type: Consent

Title: Lease Agreement: Air Support Unit Hangar and Office Space

Report ID: 2012-00127

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or the City Manager's designee, to execute a five year (60 month) lease agreement with McClellan Park for hangar and office space for the Sacramento Police Department's Air Support Unit in an amount not to exceed \$375,000.

Contact: Steve Quinn, Lieutenant, Metro Division, (916) 808-0701, Police Department

Presenter: None

Department: Police

Division:

Dept ID:

Attachments:

- 1- Description/Analysis
- 2- McClellan Hangar Lease Agreement

City Attorney Review

Approved as to Form
David Womack
2/9/2012 11:20:32 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
2/6/2012 4:42:08 PM

Approvals/Acknowledgements

Department Director or Designee: Rick Braziel - 2/7/2012 4:34:28 PM

Description/Analysis

Issue: Since 2007, the Sacramento Police Department's Air Support Unit, has been in agreement with McClellan Park to lease office and hangar space for Department aircraft. This agreement is scheduled to expire on February 20, 2012 (City Agreement #2006-1088-1). In order to ensure adequate air support capabilities for the City of Sacramento, the Sacramento Police Department recommends entering into a new five year (60 month) lease with McClellan Park Airport in an amount not to exceed \$375,000 for the duration of the lease.

Policy Considerations: This recommendation is consistent with Sacramento City Code section 3.64.020 and AP-4102 which requires City Council authorization for agreements where the expenditures equals or is greater than \$100,000.

Environmental Considerations: This activity is not subject to the California Environmental Quality Act (CEQA) because it does not constitute a "project" as defined in section 15378 of the CEQA Guidelines, and is otherwise exempt pursuant to Sections 15321(b) (law enforcement activities) and 15061(b)(3) (no significant effect on the environment) of the CEQA Guidelines.

Rationale for Recommendation: The Sacramento Police Department conducted a feasibility study and determined that McClellan Park was the best suited and most cost effective option for the Air Support Unit.

The following is a summary of the feasibility study findings:

1. McClellan Park borders the City, thereby allowing a prompt response time for the Air Support Unit.
2. McClellan Park is located in an area that is not densely populated which makes it a desirable location for the Air Support Unit. Other airports considered were surrounded by residential and noise sensitive areas.
3. The use of McClellan Park gives the region another staging location for air assets in the event of a terrorist incident or natural disaster.
4. The Sacramento Police Department's Homeland Security Division and training Academy are both housed at McClellan Park.

The other locations included in the feasibility study were Mather Field and Executive Airport. Mather Field was not selected as it may be susceptible to flooding based upon its location, which is just south of the American River. Executive Airport was also ruled out due to noise considerations since it is located in a much more densely populated area.

Financial Considerations: The recommended five year lease agreement with McClellan Park, for a total not to exceed amount of \$375,000, will be funded out of available Citizens Option for Public Safety and Justice Assistance Grants (JAG). This agreement will not impact or obligate the General Fund budget.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this agreement.



**SECOND AMENDMENT TO
McCLELLAN PARK STANDARD FORM
NET LEASE AGREEMENT**

This Second Amendment to McClellan Park Standard Form Net Lease Agreement ("**Second Amendment**"), dated for reference purposes as February 21, 2012, is entered into between **McCLELLAN BUSINESS PARK LLC**, a Delaware limited liability company ("**Landlord**"), and **SACRAMENTO POLICE DEPARTMENT**, on behalf of the City of Sacramento ("**Tenant**"). In the event of any inconsistencies between the terms of this Second Amendment and the terms of the Lease (as defined below), the terms and conditions of this Second Amendment shall govern and control.

Recitals

A. Landlord and Tenant have entered into that certain McClellan Park Standard Form Net Lease Agreement, dated September 26, 2006, as amended by that certain First Amendment, dated January 29, 2010 (collectively, "**Lease**"), for the lease of that certain real property ("**Premises**"), located at (i) 4835 Forcum Avenue, Building 632 (separately referred to as the "**Office**" in such lease), and (ii) 4843 Kilzer Avenue, Building 732-A1 (separately referred to as the "**Hangar**" in such lease), within McClellan Park, which is more particularly described in the Lease.

B. Landlord and Tenant now desire to amend the Lease in accordance with the terms and conditions of this Second Amendment.

NOW, THEREFORE, in consideration of the foregoing Recitals, and the mutual covenants contained herein, the parties agree as follows:

Agreement

1. **Definitions.** Unless otherwise defined herein, all capitalized terms used in this Second Amendment shall have the same meaning as defined in the Lease.

2. **Effective Date.** This Second Amendment shall be effective as of the date upon which the last party hereto executes this Second Amendment ("**Effective Date**").

3. **Extension to Term.** The Term, as defined in Section 2 of the Lease, is hereby extended for five (5) years and zero (Ø) months, commencing on February 21, 2012 ("**Extension Term Commencement Date**") and expiring on February 21, 2017.

4. **Base Rent for Extended Term.**

(i) For the first twelve (12) months following the Extended Term Commencement Date, Base Rent shall be (1) Two Thousand One hundred Four and Eighty/100ths Dollars (\$2,104.80) per month for the Office, and (2) Two Thousand Six Hundred Thirteen and No/100ths Dollars (\$2,613.00) per month for the Hanger.

(ii) On the first day of the thirteenth (13th) month following the Extended Term Commencement Date, and each annual anniversary thereafter, Base Rent shall be increased by two percent (2.00%) of Base Rent then in effect.

5. Section 3.3 of the Lease. The parties hereby agree that the Airfield Related Charges, as defined in Section 3.3 of the Lease, are included in monthly Base Rent.

6. Section 5.1(a) of the Lease. The parties hereby agree that Additional Rent, as defined in Section 5.1(b) of the Lease, is included in monthly Base Rent.

7. Extension Term Allowance. If (i) Tenant requests Landlord's approval of a proposed Alteration in accordance with Section 13 of the Lease, and (ii) Landlord approves of such Alteration in accordance with Section 13 of the Lease, upon Tenant's completion of such improvements and delivery to Landlord of paid invoices by Tenant, Landlord agrees to reimburse Tenant for up to \$20,209.00 ("**Extension Term Allowance**") of such cost established by the paid invoices; provided that any expenses above the Extension Term Allowance shall not be reimbursable by Landlord. If Tenant has not exhausted the Extension Term Allowance prior to January 1, 2014, any remaining balance thereof shall be relinquished by Tenant and Landlord shall have no further obligation to fund under this Section 8. Landlord may also provide a contractor to complete such improvements. These improvements will not exceed the Extension Term Allowance and will be paid directly by Landlord.

8. Modified Gross Lease. Notwithstanding Sections 10 and 11 of the Lease, Landlord shall be responsible for maintenance of the grounds (paving, mowing grass, care of shrubs and general landscaping) and all building and hangar systems, including but not limited to all plumbing, electrical, and air conditioning/heating systems within the leased premises, except for damages caused by Tenant, Tenant's employees, agents, suppliers, customers and patrons. Tenant shall promptly notify Landlord upon discovery of any system which is not functioning properly or of a condition that requires repair.

9. Ratification. Except as modified by this Second Amendment, the Lease is ratified, affirmed, remains in full force and effect, and is incorporated herein by this reference.

10. Authority. The undersigned hereby represent and warrant, each to the other, that (i) they have the legal right, power and authority to enter into this Second Amendment on behalf of the party for whom they are a signatory, (ii) the execution, delivery and performance of this Second Amendment has been duly authorized, and (iii) no other action is requisite to the valid and binding execution, delivery and performance of the Lease as modified by this Second Amendment.

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Counterparts. This Second Amendment may be executed in multiple counterparts, each of which counterpart shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date set forth above.

LANDLORD:

MCCLELLAN BUSINESS PARK LLC, a
Delaware limited liability company

By: _____
Larry D. Kelley, President

Date: _____

TENANT:

SACRAMENTO POLICE DEPARTMENT, on
behalf of the City of Sacramento

By: _____

Title: _____

Date: _____